

## 6.2 CAPITAL ASSETS POLICY

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The purpose of this policy is to set forth the guidelines for the physical and reporting control of the College's assets.

Delaware County Community College makes beneficial use of capital assets in pursuing its educational mission. The College adheres to Governmental Accounting Standards Board (GASB) guidance by using accrual accounting and depreciating assets over time. A capital asset is defined as an item that has a life of more than one year and is held for purposes other than investment or resale, with an individual value of \$5,000 or more.

Capital assets are recorded and capitalized to properly depreciate their value over time, thus reflecting their cost during the useful life of the asset and not only on the date of acquisition. An item valued at less than the capitalization threshold (\$5,000) is not depreciated. It is fully written off as an expense at the time of acquisition and not added to the capitalization inventory. Capital assets are also recorded and capitalized to protect the assets from misuse and misappropriation. The fixed asset module in Banner will compile the capital assets with a description of the asset and the value.